

**Regular Meeting**  
Monday May 21, 2012  
**9:00 am**  
**Chowan County Public Safety Center**  
**305 West Freemason Street**

**Minutes**

The Chowan County Board of Commissioners held their regular meeting on Monday, May 21, 2012. Present: Chairman Eddy Goodwin, Commissioners Keith Nixon, Jeff Smith, Emmett Winborne, John Mitchener, Ralph Cole and Ellis Lawrence.

Staff present: County Manager Zee Lamb, Finance Officer Kim Woodley and Board Clerk Susanne Stallings

**Public Comment**

Chairman Goodwin called for public comment in accordance with NCGS 153A-52.1.

There was none

**Consent Agenda**

Chairman Goodwin then presented the consent agenda.

a. **Budget Transfer**

**BT-1112-014**

4120	Admin	\$2,500	Decrease salary
4360	Medical Examiner	\$2,500	Increase profession services to pay for medical examiner services for the remainder of the fiscal year

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Commissioner Nixon moved that the Board approve the consent agenda as presented. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

**Pediatric Asthma Coalition- Asthma Awareness Month**

Latisha Wilson, a student at John A Holmes High School presented for the Board's consideration a proclamation designating May as Asthma Awareness month. Janet Capehart with Vident Chowan Pediatric Asthma program was also present.

Commissioner Mitchener moved that the Board approve the proclamation as presented. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0),

**PROCLAMATION  
SUPPORTING  
ASTHMA AWARENESS MONTH  
MAY 2012**

**WHEREAS**, there is an epidemic of asthma in the United States, affecting 7 million children and 18.7 million adults; and

**WHEREAS**, asthma is the leading cause of childhood long term illness, hospitalization and school absenteeism; and

**WHEREAS**, asthma affects numerous public school children in the Chowan County Schools and

**WHEREAS**, asthma is a treatable and controllable disease; and

**WHEREAS**, there are simple steps people can take to monitor and prevent asthma attacks and effective treatments to control asthma;

**NOW, THEREFORE**, I, Edward Goodwin, Commissioner Chair of the County of Chowan do hereby proclaim May 2012 as ***"Asthma Awareness Month"*** for the *County of Chowan*.

**ADOPTED**, this 21<sup>st</sup> day of May of 2012.

**School Request**

Dr. Alan Smith Superintendent of Edenton Chowan Schools presented a request as part of plan for FY 2012-13 renovations at John A Holmes High School. He stated he was requesting permission to begin work this fiscal year. He added that any invoices received prior to July 1, 2012 will be paid this Fiscal Year.

Chairman Goodwin asked for any questions.

Mr. Lamb asked for the total price of the project.

Dr. Smith stated the project is estimated to cost \$123,000.

Commissioner Winborne noted that at previous meetings there have been discussions regarding the portable huts, this project will remove one classroom. He asked if this classroom is currently in use.

Dr. Smith stated that classroom was part of the business program, and that class was part of personnel cuts. He stated that the principal may reassign staff to use other facilities.

Commissioner Smith asked if the County would use lottery monies for the project.

Mr. Lamb stated that the county will request lottery funds be used; he stated that with Board approval he would send the lottery request for state approval.

Commissioner Winborne asked if the school has a preference which monies are used first.

Dr. Smith stated it did not matter, he added that he only suggested land transfer monies be used in order to begin work as soon as possible after graduation. He stated that the lottery application process could slow down the work being started.

Commissioner Cole asked if the lottery monies are included in the capital outlay budget.

Mr. Lamb stated this would be considered capital outlay. He stated his preference was to use lottery funds first. He noted that the debt service for schools. DF Walker is over \$700,000. He stated the County anticipates Article 40 to be around \$600,000. He stated the lottery money could not be used for that debt, because the debt was issued prior to lottery funds being made available to the County.

Commissioner Cole moved that the Board approve the request. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

Mr. Lamb asked for an update on the status of the lawn mower and handicapped bus projects in the current year budget.

Dr. Smith stated these projects came in under budget.

#### **NC DOT FY 2012-13 Secondary Roads Program**

Sterling Baker thanked the Board for the opportunity to present the program. He introduced Darrick Lee and Ron Faulkner also with DOT. He stated that the anticipated 2012-13 Secondary Road Improvement Program allocation based on last year is \$167,031.02; with the Highway Fund at \$130,508.53. Total program costs are \$297,539.55. He noted some of the projects include Emperor Landing widen/resurface, pavement and preservation of secondary roads and paved road spot improvements. Mr. Baker noted funds are budgeted in the amount of \$45,000 for spot stabilization including bringing Iowa Trail to minimum standards and \$65,000 is proposed for paving. The program includes additional monies in the amount of \$42,539.55 for surveying and other expenses.

Chairman Goodwin asked if this is the same as last years program total.

Mr. Baker stated this is the same as last year; he noted that if the gas tax is capped, the county's allocation could go down.

Chairman Goodwin stated that if the gas tax is not capped, it could impact the county in the opposite way.

Commissioner Winborne asked for clarification on the funds reserved for surveying.

Mr. Baker stated that during the year DOT will receive questions for road additions from the County, this funds the survey costs. He stated this fund also covers ditch complaints from farmers. He stated that if monies remain, they are rolled into the next year's program.

Commissioner Smith noted that Emperor Landing improvements such as widening, rock/tar have already started.

Mr. Baker stated that it could be 2013 before paving and resurfacing begins. He stated the program is a 2-4 year program, and DOT only contracts 75% of allocation.

Mr. Lamb stated his appreciation to Sterling Baker, for his quick response to county inquiries.

Mr. Alton Elmore asked for more information on the bridge replacement on Hwy 32.

Mr. Baker stated that the contractor's availability has passed, he stated the contractor is currently relocating utilities, and on the day after school gets out, the road will be closed.

Darrick Lee stated the road will be closed around the 11<sup>th</sup> or 13<sup>th</sup> of June adding then there will be 75 days for completion with an incentive for early completion for the contractor.

Being no further discussion, Commissioner Mitchener moved that the Board approve the program. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

### **Resolution**

WHEREAS, the Chowan County Board of Commissioners, at their regular meeting on Monday, May 21, 2012, met with representatives of the North Carolina Department of Transportation; and,

WHEREAS, the DOT representatives presented the proposed Secondary Roads Improvement Program for 2012-13, including improvements as presented.

NOW THEREFORE BE IT RESOLVED, the Chowan County Board of Commissioners, by this Resolution, approves the 2012-13 Secondary Roads Program as submitted by North Carolina Department of Transportation.

Adopted May 21, 2012

### **Planning Items**

Planner Landin Holland presented the Board with the following items for consideration:

- a. Review of a text amendment to establish home based business as a special use. He stated the Special Use Request will go to the Planning Board, and any appeal of the Planning Board's decision would go to district court. Mr. Holland stated the request was submitted by Dupraws in Arrowhead Beach for a deer processing home business. He stated that the

business has been operating illegally based on the current ordinance. He noted the ordinance defines a home occupation, however a home based business has more intensity and should require more review. He stated that he has explained to all persons involved the process to amend the ordinance to define a home based business; he stated that the applicant has been involved. He stated that if approved, the County's zoning ordinance will change. He stated that the applicant could request a Special Use Permit, and fact will be based on today not past uses (no violations considered). He stated that in the hearing the Planning Board will consider the impact on surrounding properties. Mr. Holland stated that the amendment will impact entire county. He then asked the Commissioners to set public hearing for 2<sup>nd</sup> June meeting.

Commissioner Mitchener asked for clarification on the difference between occupation and home based business.

Mr. Holland explained that traffic, noise and other factors are considered to determine the difference.

Chairman Goodwin commented on process and rights of landowners.

Mr. Holland stated that there are residents who want deer processing operation there and are others who do not want it there in Arrowhead Beach.

Commissioner Nixon asked if the fee has been paid for the ordinance text amendment.

Mr. Holland stated that the fee has not been paid, and no ads have been run. He stated that the Dupraws have met with staff and have indicated they will pay the fee.

Chairman Goodwin stated that the Board did not want to impose on property owners association (POA) at Arrowhead, or on land owners. He noted that currently there are other home operated businesses in Arrowhead Beach.

Commissioner Nixon stated his concern that this may require review by the county attorney; he stated that he did not see the need to move forward until applicant submits the fee.

Mr. Holland stated that his intention is to set the public hearing date. He stated the until the fee is paid, he will not advertise or seek attorney review. He stated his purpose for pursuing the amendment is to try to resolve the issue prior to hunting season.

Commissioner Nixon stated the Board did not direct the Planner to amend the ordinance.

Commissioner Smith asked how does this affect a POA, and does the text amendment supersede rules of POA?

Mr. Holland stated that the county is not able to enforce the rules of a POA, however the stricter rule would apply.

Jim Brock a resident of Arrowhead beach stated that some of the statements made by the Planner, he felt, were biased. He stated his concern with the amendment.

Mr. Holland stated that this is a text amendment and it would have no bearing on what has been done. He stated that currently in Arrowhead Beach, a Home occupation is a use by right. He stated that the Dupraws did not get a zoning permit, when the County received the complaint the County sent violation notices to Dupraws. Mr. Holland stated he felt he has worked with POA to make them aware of what is going on. He stated that the Dupraws have the right to request this text amendment. Mr. Holland added that the Special Use Permit hearing would be the time to hear both sides of the argument.

Mr. Holland agreed that the businesses should request zoning permits.

Mr. Lamb stated that the use is a problem. He stated the applicant has been notified for two years because of the zoning violation, and the county will be faced for a third year having someone who appears to be violating zoning ordinance.

Mr. Holland stated that until the fee is paid the public hearing will not be held.

Mr. Lamb stated he felt the County could not turn its head to repeated violations.

Chairman Goodwin stated that the Board should not argue the pros and cons of the use, but he felt a text amendment would clarify what is allowed by right.

Commissioner Smith moved to set the public hearing for June. He then asked if by setting this public hearing was the county changing the rules for the violator.

Mr. Lamb stated that violations are dealt with on a case by case basis; he stated he would recommend the Board go forward with a text amendment public hearing.

Chairman Goodwin asked for all in favor, the motion passed (6-1 Nixon).

- b. Mr. Holland stated he has been asked to look at the County's Animal Control Ordinance. He stated he has received complaints from densely populated areas, regarding animals off the property or off a leash. He stated that the Animal Shelter agrees with strengthening regulations. He noted this could become a funding and staffing issue. Mr. Holland added that there is support from the POA for the request. He stated that the ordinance will address the definition of dangerous dogs; it may look at breeds or dogs that act in an unprovoked manner. He stated the ordinance will require registration of dogs and require them to be penned on site, inspected, and breeding will be illegal. The Ordinance will require change of ownership to be reported.

Jim Brock stated that this ordinance amendment was requested after the experience a near tragic event in Arrowhead Beach. He stated that in April, the POA for Arrowhead Beach approved a restrictive covenant in Arrowhead, which he said mirrors the Town's ordinance. He stated that containment and control is vital. He stated that Cape Colony is seeing an increase of vicious dogs in that community as well.

Chairman Goodwin asked the Sheriff for comment.

Sheriff Dwayne Goodwin stated he has worked with Landin on the language for the amendment, and they are looking at specific breeds because language may not be constitutional.

Commissioner Mitchener asked if this amendment covers exotic pets.

Mr. Holland stated the current ordinance addresses that.

Being no objection, Chairman Goodwin stated this will be placed on the June agenda.

#### Code Enforcement

Mr. Holland provided photos of properties that are in violation of the code enforcement standards. He stated the average expense for clean up is \$3,000-\$4,000 with some properties being as low as \$500. He stated that this needs to be considered from a budget perspective. He stated he has spoken with local recycling companies on how to clean up the properties and stated the County should be prepared to clean up some of the violating properties. He stated that if the county does not enforce the clean up, people will not respond. He stated he would recommend preparing a priority list for violating properties by using a committee.

Chairman Goodwin asked how many properties are in violation now.

Mr. Holland stated that 5-6 have been reported that are in bad shape. He stated that his office will not send notices until directed to do so by the Board.

Commissioner Nixon asked if these violations are obtained by citizen complaints.

Mr. Holland stated yes, it is complaint driven, followed by an investigation and if the property is determined to be a nuisance, a hearing would be scheduled.

Chairman Goodwin noted that the building inspectors may identify a health or safety issue.

### **Emergency Management Annual Report**

Cord Palmer gave a PowerPoint on the activities of Emergency Management for the past year. (A copy of the PowerPoint is in the meeting file labeled May 21, 2012).

The Board took a 10 minute recess. After the recess, Chairman Goodwin called the meeting back to order.

### **Presentation of FY 2012-13 Budget**

Mr. Lamb read the budget message:

Dear Honorable Chairman Goodwin and Commissioners:

This FY 2012-2013 budget is presented to you in accordance with the *North Carolina Local Government Budget and Fiscal Control Act*. The proposed budget is presented subject to a public hearing and the Chowan County Board of Commissioners revisions and approval. This budget, as presented, is balanced. The total revenues and expenditures for the General Fund including the Social Services Fund are \$16,116,401 compared to the original FY 2011-2012 budget of \$16,032,837 (\$16,502,600 as amended). See attachment 1.

The FY 2012-2013 budget, as proposed, is based on a \$0.685 tax rate, the same as FY 2011-2012. This represents the third consecutive year that the tax rate has not increased.

The Finance Office received budget requests, revenue estimates and other financial information from the various officials, officers, department heads and agencies of Chowan County. The proposed budget is based on staff information and information provided by and input from, the County Commissioners. Each department or agency presented an original budget request to the Finance Office. Upon receipt, the County Manager met one or more times with each department head to establish a budget to be submitted to the Chowan County Board of Commissioners. Subsequently, the Commissioners have preliminarily reviewed the budget. In the case of special appropriations requested by outside government agencies and nonprofit organizations, including the Edenton-Chowan County Board of Education, the College of the Albemarle and the Library the recommended appropriations reflect the results of budget work sessions involving the Board of Commissioners and staff.

A copy of the budget has been filed with the Clerk to the Board and is available for public inspection. The Budget Officer will publish a statement in the Chowan Herald that the budget has been submitted to the Chowan County Board of Commissioners, and is available for public inspection in the office of the Clerk to the Board. The same published statement will also give notice of the time and place of the public hearing during which any person who may wish to comment on the budget may appear before the Board of Commissioners.



No earlier than ten days after May 21, 2012, the date of the formal budget presentation, and not later than July 1, 2012, the Chowan County Board of Commissioners must adopt a budget ordinance making appropriations, estimating revenues and levying taxes for FY 2012-2013.

## **Revenue Overview**

**Property Tax Collections** – According to the Tax Office and the Chowan County audit, the overall tax collection rate in Chowan County was 95.90% in FY 2010-2011. FY 2012-2013's estimated property tax revenues is calculated based upon the audited tax collection rate for FY 2010-2011. According to the FY 2010-2011 audit, the collection rate for real and personal property was 95.93% (actually 96.88%), and the collection rate for motor vehicles was 95.57% (actually 82.70%) for the combined collection rate of 95.90%. A mistake occurred and approximately \$100,000 that was collected in real property was credited to motor vehicles. This mistake has been reconciled by the tax office and reported to the Auditors. This reporting error did not affect the combined collection percentage of 95.90%. For purposes of estimating next year's property tax revenues, this proposed budget assumes a collection rate of 96.88% for real and personal property and 82.70% for motor vehicles.

According to the FY 2010-11 Audit the 10 year statutorily enforceable delinquent uncollected taxes owed to Chowan County increased from \$680,502 as of June 30, 2010 to \$754,086 as of June 30, 2011.

County staff is committed to increasing the tax collection rate during future years. In addition, we will also focus on collecting prior year delinquent taxes. An additional collections employee is recommended in this budget proposal. Funded 80% in the Tax Office and 20% in the IT Department, this employee will focus on assisting both departments with an emphasis towards Tax/IT matters including revaluation, and most importantly using technology and traditional methods to increase collections through the Debt Set-off program, wage garnishments, bank attachments, foreclosures and direct mail demand letters.

**2. Estimated Tax Base and Rate** - The estimated tax base is used in this budget to determine the amount of property tax revenue that will be available in the FY 2012-2013 budget. The estimated tax base amount is provided to the County Manager by the County's Tax Administrator. The amount of revenue that is expected to be collected in the coming year is determined by the tax base amount and the collection rate. See attachment 2.

The Chowan County 2012 tax year valuation estimate provided by the Tax Administrator provides for a total valuation for FY 2012-2013 of \$1,486,693,417. At 100% collection, each penny of a tax rate assessed will produce \$148,669.34.

The total taxable valuation for real and personal property and public utilities within Chowan County is estimated at \$1,381,766,511. At 100% collection, each penny of the property tax rate assessed will produce \$138,176.65. When multiplied by a collection rate of 96.88%, each penny of the tax rate should generate \$133,865.54. With the proposed tax rate of \$0.685 per \$100.00

valuation, the 2012-2013 current year anticipated revenues for real and personal properties and utilities are estimated at \$9,169,800.

The total valuation for motor vehicles within Chowan County is estimated at \$104,926,906.00. At 100% collection, each penny of the tax rate assessed will produce \$10,492.69. When multiplied by a collection rate of 82.70%, each penny of the tax rate assessed should generate \$8,677.45. With the proposed tax rate of \$0.685 per \$100 valuation, the anticipated revenues for motor vehicles are estimated at \$594,400.

Therefore, the FY 2012-2013 budget anticipates the generation of \$9,764,200 in ad valorem tax revenues from real and personal property, public utilities, and motor vehicles. This amount represents 60.85% of General Fund revenue.

The FY 2012-2013 budget also anticipates the collection of \$286,200 in prior years' delinquent real and personal property taxes, \$113,500 in prior years' delinquent motor vehicles taxes, as well as \$90,000 in penalties, interest and other miscellaneous charges assessed upon delinquent taxes.

The total amount of the above taxes anticipated in this budget is \$10,253,900. This amount represents 63.62% of General Fund Revenues.

**3. Sales Tax** - Chowan County anticipates collecting \$920,000 in FY 2012-2013 from the local 1-cent Article 39 sales tax. The County General Fund also anticipates collecting from the ½ cent Article 40 sales tax, a total of \$585,000. An additional thirty (30) percent of the Article 40 sales tax by statute is restricted for school capital projects and is sent directly to the School Capital reserve and is not reflected in the General Fund. The County further anticipates collecting from the ½ cent Article 42 sales tax a total of \$110,382. An additional sixty (60) percent of the Article 42 sales tax, by statute is restricted for school capital projects and is sent directly to the School Capital reserve and is not reflected in the General Fund.

The total amount of sales tax revenue anticipated in the General Fund budget is \$1,615,382. This amount represents 10.02% of General Fund Revenues.

In addition, the County will directly deposit over \$600,000 into the School Capital Reserve to meet the Article 40 and Article 42 school capital obligations.

**4. Fire District-** The FY 2012-2013 Fire District Special Revenue Fund anticipates \$528,852 in tax revenue for the benefit of fire departments in Chowan County.

**5. E911/Central Communications** – The FY 2012-2013 E911 Special Revenue Fund anticipates \$201,836 in 911 surcharge receipts, and a \$109,764 net appropriation from fund balance.

**6. Emergency Medical Service Revenues-** The FY 2012-2013 revenues for the EMS Enterprise Fund are estimated at \$1,200,000 in fees for services and \$206,646 appropriated from the General Fund.

**7. Water Sales and Services** – The FY 2012-2013 combined revenues for water sales for the Chowan County Water District is budgeted at \$1,221,212 and tap fees, connection fees, reconnection fees and penalties increase the total to \$1,448,276. The FY 2012-2013 budget anticipates no increase in water rates.

**8. Solid Waste Revenues** – The proposed FY 2012-2013 combined revenues for the Solid Waste Enterprise Fund is estimated to be \$1,258,150.

**9. Town of Edenton** – The FY 2012-2013 budget anticipates \$296,985 in reimbursements from the Town of Edenton for Town share of debt service and operating costs of the County Public Safety Center as well as the Town's agreed share of the Information Technology and Building Inspections office budgets.

**10. Register of Deeds Revenues** – The FY 2012-2013 budget anticipates revenues from real estate registration (recording fees), vital statistics and marriage licenses in the amount of \$154,700. This amount includes \$60,000 in excise tax (deed stamps) to be divided between Chowan County and the State of North Carolina.

**11. Planning and Inspections Office** – Inspection and Planning fees for FY 2012-2013 are anticipated to generate \$92,800 including \$85,000 in building permit fees.

**12. Fines & Forfeitures**- The FY 2012-2013 budget anticipates \$60,000 in the receipt of fines and forfeitures which are remitted to the Edenton-Chowan Board of Education.

**13. Court Fees** – The FY 2012-2013 budget further anticipates \$46,000 in court costs and court facility fees with must be used to maintain the county courthouse.

**14. Jail** – The FY 2012-2013 budget expects a reduction of \$147,000 in jail fees paid by Gates County to house Gates County inmates in our jail. Since Chowan County has entered discussions with Albemarle District Jail, Gates County has announced that beginning July 1, 2012 they will contract with Hertford County for jail services.

**15. Recreation** – The FY 2012-2013 budget anticipates revenues of \$90,419 from registration fees, concessions, special events and the JCPC after-school program grant.

**16. Senior Center/Nutrition** – The FY 2012-2013 budget anticipates revenues of \$81,500 from registration fees, other fees and from the Albemarle Commission for the Nutrition Program.

**17. ABC**- The FY 2012-2013 budget anticipates \$30,000 from the ABC bottle tax and from profit distribution from the ABC Store.

**18. Department of Social Services** – The FY 2012-2013 budget anticipates \$2,297,895 from state revenues for administration and program costs.

**19. Fund Balance Appropriated** – The FY 2012-2013 budget does not appropriate any funds from the general fund balance. The budget does appropriate for the use of the Register of Deeds 12,500 from the preservation/automation fund, \$16,267 from the Sheriff Special Reserve Fund and \$10,000 from the Recreation Donation Reserve Fund.

**20. Other County Revenues** – Please refer to attachment 1 for other anticipated County revenues for FY 2012-2013.

## **Expenditures Overview**

**1. Public Education** – The total school current expense appropriation provided for in the FY 2012-2013 budget is \$3,421,929.

Regarding capital outlay, the Chowan County Board of Commissioners are committed to improvements in the public education system, through increased capital funding and support, despite the tough economic realities facing the County, State and Nation as well as reduced support from the state and federal governments.

To that end, once again in its discretion, in FY 2012-2013, the Board of Commissioners have dedicated 100% of the FY 2012-2013 Land Transfer Revenues to the School Capital Reserve. The Land Transfer taxes will join sales tax revenues and Lottery Funds as the source of revenue for school capital projects and debt service payments. Attachment 3, School Capital Project list shows school capital projects utilizing school lottery and Land Transfer taxes during the last two years. Sales Tax and Lottery Funds will continue to pay for the DF Walker and QZAB debt service.

The FY 2012-2013 budget provides \$103,573 for the seventh year debt payment due July 1, 2012 for the QZAB interest-free loan, which provided funds for renovations to John A. Holmes High School. Part of the Lottery Fund proceeds is designated to this debt payment.

The FY 2012-2013 budget further provides for the debt payment for the DF Walker Elementary School. This payment of \$571,743 in principal and \$185,245 in interest for a total of \$756,988 is due in FY 2012-2013. The Sales Tax revenues, in part, are designated to this debt payment. The shortfall between sales tax revenues and the DF Walker debt must be paid using the School Capital Reserve Fund balance and land transfer revenues. Lottery funds are not eligible for DF Walker School debt. Unfortunately the school capital reserve fund balance was \$225,487 as of June 30, 2011.

**2. Community Colleges** - The FY 2012-2013 budget provides for \$200,000 to be used for the COA (College of the Albemarle) Chowan Campus for current expenses and the creation of a COA- Edenton campus capital reserve. The FY 2012-2013 budget appropriates \$200,000 for COA capital outlay.

Further, the current expense appropriation will be distributed in quarterly payments, and the capital reserve will be distributed to COA on a reimbursement basis, after prior approval and

after consultation with the Board of Commissioners for capital outlay expenditures and projects. Reimbursable projects under \$5,000 shall not require Board of Commissioner approval.

**3. Tax Collections** - The FY 2012-2013 budget appropriates \$388,524 for tax office operations, including 80% to fund the new position previously mentioned under revenues. The Tax Office budget also includes \$48,023 for new tax software.

The FY 2012-2013 budget appropriates \$35,000 from the general fund to the Revaluation Reserve. The Revaluation Reserve anticipates spending \$128,470 in the first year of the 2014 revaluation cycle.

**4. Sheriff's Office** – The FY 2012-2013 budget provides a total of \$1,304,697 for the Chowan County Sheriff's Office. The budget includes funds for two new vehicles at a cost of \$50,000. Funding for one vacant deputy position has been frozen in this proposed budget, a savings of \$43,536.

**5. 911 Communications** – The FY 2012-2013 provides \$438,434 for the operation of the 911 emergency communications system. Funding for the vacant 911 Director position has been frozen in this proposed budget, a savings of \$61,221.

**6. Emergency Medical Service** - The FY 2012-2013 budget appropriates \$206,646 from the general fund to the EMS Enterprise Fund to cover a revenue shortfall in that amount.

**7. Jail** – The FY 2012-2013 budget appropriates \$771,015 for the operation of the Chowan County Detention Center. The County will continue discussion with Albemarle District Jail; however this budget continues funding for the current jail operations.

**8. Social Services**– The FY 2012-2013 budget provides for \$1,034,876 in County funds to the Social Services fund. All the Social Services budgets in Fund 11 have been combined in a new Fund 12 for budgeting purposes. The new Social Services Fund remains for auditing purposes part of the General Fund.

**9. Recreation** – The FY 2012-2013 budget appropriates \$433,030 for the Recreation Department Operating Budget.

Additionally this budget appropriates \$28,200 for utilities and maintenance of the Northern Chowan Community Center and \$29,650 for the utilities and maintenance of the Recreation Department portion of the COA Edenton Campus.

**10. Senior Center/Nutrition** – The FY 2012-2013 budget provides \$202,894 to fund the Senior Center and Nutrition Program for Chowan County senior citizens.

**11. Register of Deeds**– The proposed FY 2012-2013 budget provides \$224,765 for the operation of the Register of Deeds Office.

**12. Land Records** – The FY 2012-2013 budget provides \$68,222 to the Land Records/GIS Department located in the Register of Deeds Office

**13. Animal Shelter** – The FY 2012-2013 budget appropriates \$175,336 for Tri County Animal Shelter operations. It is estimated that \$97,860 will be reimbursed to Chowan County, as fiscal agent, from Gates and Perquimans Counties.

**14. Elections** – The FY 2012-2013 budget provides for funding in the amount of \$93,942 for the general operation of the Elections Office and for the July 2012 second primary and the 2012 general election. FY 2012-2013 is the final year of the federal HAVA (Help America Vote Act) which requires a state match. If the General Assembly chooses to not participate, it will be necessary to appropriate an additional \$13,500 to pay for county costs that have been paid by the State with HAVA funds.

**15. Public Health** – The FY 2012-2013 budget provides an appropriation in the amount of \$84,722 for payable to Albemarle Regional Health Services

**16. Mental Health** - The FY 2012-2013 budget provides \$33,978 to East Carolina Behavioral Health which includes the county's \$2.00 per capita contribution and the transfer of \$4,000 in bottle tax revenues.

**17. Information Technology** – The FY 2012-2013 budget appropriates \$210,115 for County IT needs.

**18. Maintenance** - The FY 2012-2013 budget provides a total of \$614,962 for maintenance of county buildings including \$278,912 for the Maintenance Department.

**19. Inspections and Planning** - The FY 2012-2013 budget appropriates \$192,144 for the Inspections Department and \$30,700 for contracted services for the Planning Department.

**20. Soil Conservation** - The FY 2012-2013 budget appropriates \$96,880 for the Soil Conservation Department.

**21. Forestry** - The FY 2012-2013 budget provides an appropriation in the amount of \$61,944 to the Forestry program.

**22. Cooperative Extension** - The FY 2012-2013 budget appropriates \$177,032 to Cooperative Extension Service.

**23. Employee Adjustments** – The proposed FY 2012-2013 budget provides for a increase for county employees. This money is appropriated to Salary Reserve in each fund and will be eventually distributed to each department and fund in the salary, FICA and retirement line items.

This increase is appropriated to reserve since one or more Commissioners wanted to consider an equivalent across the board amount for employee raises. A \$650 raise for all employees is the approximate equivalent to total additional salary outlay.

Thus, using the \$650 amount, an employee making less than \$32,500 per year will see an increase of greater than 2% and employees making more than \$32,500 per year will see an increase of less than 2%. Each Fund's Salary reserve is based upon 2% for all employees and should the Board choose to appropriate a flat amount such as \$650 to all employees, then small adjustments will need to be made to each fund, either up or down, depending if the average salary in the fund is less or greater than \$32,500. This proposal assumes no increase for the Commissioners, the Sheriff or the County Manager.

**24. Employee Health and Dental Insurance** – The County will provide health and dental insurance through the Northeast Albemarle Group Health Plan, a regional joint insurance plan that includes Chowan, Perquimans, Pasquotank and Albemarle Regional Health Services along with various smaller government organizations. In the last 18 months the cost of this coverage went up 25%, co-pays have decreased from 80% to 70%, deductibles have increased from \$0 to \$500.00 and we have recently been advised of a 9.8% increase effective July 1, 2012. The County pays the full cost of all of the employees' health and dental insurance.

**25. Shepard Pruden Memorial Library** - The FY 2012-2013 budget provides \$150,000 for operating expenses and an additional \$10,000 loan payment to the Library Board of Trustees.

**26. Fire** – The FY 2012-2013 budget provides \$206,855 for operations and equipment as well as \$27,900 for debt service to the Center Hill Crossroads Volunteer Fire Department.

The budget further provides \$281,297 to the Town of Edenton for its fire services to the non-town residents of Chowan County. This amount is recalculated each year based upon a five year average of Edenton Fire Department calls outside of the town limits.

The Budget provides \$12,800 to the Belvidere Chappell-Hill Fire Department as requested.

**27. Contribution to Reserve** - The FY 2012-2013 budget appropriates \$213,814 to the General Fund Reserve in the Board's ongoing effort to get the General Fund balance to the recommended 25% or \$4 million.

While some in the community have suggested that Chowan County has put enough money towards fund balance, both the LGC and county staff recommends to the Board of Commissioners, that as painful as it may be to county agencies and departments, that the 25% goal set by the Commissioners continue to be the Fund Balance target. It is my goal that the 25% fund balance target be realized as of the audit for the year ending June 30, 2013.

**28. Other County Expenditures** – Please refer to attachment 1 for other budgeted expenditures for FY 2012-2013.

This budget represents our best estimate of revenues and expenditures during the coming year. As with any budget, during the course of the coming fiscal year, adjustments may be required to amend the adopted budget. The Chowan County Board of Commissioners is required to approve

any such budget adjustments, which increase or decrease a department's total expenditures during the course of the fiscal year.

I urge the Commissioners to carefully consider and study this proposed budget. If there are any questions or concerns, please do not hesitate to contact me.

On behalf of your County staff, we look forward to working with the Commissioners during the coming year to provide the best services possible at the most reasonable cost to the taxpayers of Chowan County.

Sincerely,  
Zee B. Lamb  
Chowan County Manager

Chairman Goodwin asked for any questions from board.

Commissioner Nixon asked questions on the following items:

Amount spent in tax, does it include new employee and software?

The County's appropriation of \$200,000 for COA, can it be put in a separate fund?

Mr. Lamb stated the \$200,000 is in current expense, and there can be a COA capital reserve fund created.

Commissioner Nixon stated the Sheriff total budget total is different, he stated his figure totals \$1.5 million but that may include the SRO officer. He stated his concern with Jail, is the loss of revenue in the amount of \$140,000 from Gates County, however the meals expense is the same as last years budget. He asked if medical is a fixed amount.

Commissioner Nixon stated his concern with the \$157,000 from Solid Waste payback going into the General Fund, he added he would like to see that money go towards debt service.

Mr. Lamb commented that as soon a budget is adopted, staff will begin work on refinancing the three bank loans, and incorporate the Board's request to increase principal payments on loans in order to reduce debt more quickly.

Commissioner Smith thanked staff for putting in long hours, he asked if the monies for revaluation are budgeted at \$35,000, will the county will pay the last installment in 2014.



Mr. Lamb stated he would like to budget \$35,000 this year and \$35,000 or more next FY, then final payment would be made in July 2014, using the 2014-15 allocation to the Revaluation Fund.

Commissioner Smith stated that he is ok with allowing COA to spend \$5,000 without Board of Commissioner approval, he asked how many projects below \$5,000 would be allowed before the Board is notified.

Mr. Lamb stated the criteria set would allow the expenditures under \$5,000 without prior Board of Commissioners, but invoices would be required for reimbursement.

Commissioner Cole stated that staff has done a good job on budget he asked for clarification on the reduction of revenue from Gates County inmates no longer using Chowan County's jail.

Mr. Lamb stated that Gates will begin contracting with Hertford County to house their inmates.

Chairman Goodwin stated he thought staff had done a good job on the budget.

Commissioner Winborne commended Mr. Lamb and Ms. Woodley for their work on the budget. He stated that he thinks the County should fill the 911 Directors position. He stated this position is very important. He then suggested the Board fund that position and work with the Sheriff to fill the vacancy.

Mr. Lamb stated that he agrees the position is important. He added that he feels that this position needs to be someone who is willing to get on the console and answer calls. He stated this position is also responsible for the 911 Budget, purchasing, scheduling. Commissioner Winborne stated that he also feels strongly about employee increase, he stated he would prefer to give a larger amount to the lower paid employees. He added that he assumes that there will be a health insurance cost increase this year, and with the County coving that increased cost, and a cost of living adjustment, both are increases in benefits to the employee.

Mr. Lamb stated that at the last health board meeting, the plan administrator proposed an option where the employees could contribute \$80 per month for a higher paying plan. He stated that option will be available to employees.

Commissioner Mitchener asked how often COA will keep staff informed regarding capital projects; he stated that his concern is that COA's priorities could differ from Board's.

Mr. Lamb stated that any capital project over \$5,000 will come to the Board in advance.

Commissioner Mitchener thanked the County Manager and staff for their work on the budget.

Commissioner Lawrence asked how the money spent on COA capital projects is insured that it will be spent here in Chowan County. He also stated his concern regarding the dual IT position, individual wearing two hats, multi roles.

Mr. Lamb stated that he envisions a person that has an IT background and deal with databases, however a primary function of this position is to seek delinquent tax revenues. He stated he is aware that there will be a learning curve. He stated that staff will have to train this individual, but this individual will need basic IT knowledge and experience.

Commissioner Lawrence stated that the \$650 bonus proposed will address the 40% of underpaid employees.

Commissioner Lawrence congratulated the Manager on a job well done on the proposed budget.

### **Timely & Important Matters**

Commissioner Nixon asked about the Enterprise Funds, Revenues and Expenditures with specific regard to Solid Waste. He stated that the indirect costs look low.

Mr. Lamb stated this is based on indirect cost report.

Commissioner Nixon requested a printout showing a 5 year trend for departmental budgets.

Chairman Goodwin stated that June 4<sup>th</sup> is the scheduled date for the public hearing on the budget.

Sheriff Dwayne Goodwin asked if he could comment on the 911 director position. He stated that Mr. Lamb was acting on mandate with regards to the Sheriff/911 and Jail budget and unfilled positions. He stated he met with Mr. Lamb, went line by line through the proposed budget, and froze the position, he added that this is what he did last year when unexpected things occurred prior to budget approval and he understood these were state mandates being pushed on the County. Sheriff Goodwin stated that his budget has been conservative. He stated that Cord Palmer is acting as interim 911 director, and that Cord has done a great job. Sheriff Goodwin stated that he is concerned about next budget

year, and that his department has gone without a 911 director for two years. He stated this is an important position that is responsible for many things including; maintenance of equipment, budget, training, records etc. He stated that he is concerned that the Sheriff's Office is doing things reactionary. He stated that the Sheriff's office also has mandates such as DNA, Fingerprinting, gun permits and mandated training. He stated that patrol deputies at night often are tied up with at hospitals waiting with mental patients which in turn results in him calling auxiliary deputies to cover. He stated that not filling these positions causes him to be concerned not only for officer safety but also for public safety. He stated that he agreed to cuts to help out, but he also wanted the Board to know that he tries to be reasonable with monies spent. He asked that the Board consider his concerns as they move forward.

Chairman Goodwin stated that the Board amended last year's budget to fill positions, and that if the Sheriff found a qualified candidate for the 911 director position, the Board would fill it.

Sheriff Goodwin stated that he interviewed all over country and many of the applicants turned down the position because of the salary. He stated that he would like to put Mr. Palmer in the director position.

Chairman Goodwin stated his concern is the 911 Director with holding a deputy title.

Sheriff Goodwin stated the person responsible for 911 position, has additional responsibilities under Sheriff.

Mr. Lamb asked if this individual would continue to be patrol deputy, 911 director and Emergency Management Coordinator.

Sheriff Goodwin stated that he could hire a deputy for less money than what he is currently paying.

Mr. Lamb asked what additional salary would be required with the additional duties.

Sheriff Goodwin stated he had not estimated the increase, but noted that Chowan County would not be unique in the category of having a 911 Director that holds a deputy title.

Commissioner Nixon stated that he agrees the 911 position should be filled. He stated that the Sheriff has advantage of moving monies from fund to fund.

Sheriff Goodwin stated that he cannot move monies from fund to fund without Board approval.

Commissioner Nixon stated that hospitalization and vehicles are part of the increases in the Sheriff budget. He asked if the Sheriff thought a School Resource Officer in the elementary school is most important.

Sheriff Goodwin stated that he felt getting to children at a younger age through the elementary schools, makes an impact on future. He added that the SRO at the elementary school also deals with disgruntled parents. He added that this SRO can be used for other needs because the position is paid from county funds.

Commissioner Mitchener stated that he would encourage the Manager and the Sheriff to look at the proposed budget and work out any concerns.

Being no further business before the board, the meeting was adjourned.

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Edward C. Goodwin  
Chairman

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L. Susanne Stallings  
Clerk